

CAMPBELL TOWNSHIP

Ionia County, Michigan

Financial Statements

And

Independent Auditor's Report

For the Year ended March 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* CAMPBELL TOWNSHIP	County* IONIA	Type* TOWNSHIP	MuniCode* 34-1-030
Opinion Date-Use Calendar* Aug 22, 2008	Audit Submitted-Use Calendar* Sep 26, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input type="checkbox"/> ?	17. Are there reported deficiencies? 19. If so, was it attached to the audit report?

General Fund Revenue:	?	\$ 228,847.00
General Fund Expenditure:	?	\$ 186,569.00
Major Fund Deficit Amount:		\$ 0.00

General Fund Balance:	?	\$ 383,661.00
Governmental Activities Long-Term Debt (see instructions):	?	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* LAWRENCE	Last Name* TIEJEMA	Ten Digit License Number* 1101026843		
CPA Street Address* 31 E MAIN ST PO BOX 10	City* SARANAC	State* MI	Zip Code* 48881	Telephone* +1 (616) 642-0384
CPA Firm Name* LAWRENCE TIEJEMA, PC	Unit's Street Address* 31 E MAIN ST PO BOX 10	Unit's City* SARANAC	Unit's Zip* 48881	

CAMPBELL TOWNSHIP

TABLE OF CONTENTS

MARCH 31, 2008

	<u>Page</u>
Independent Auditor's Report	3 – 4
Management Discussion and Analysis	5 – 10
Basic Financial Statements:	
Government-wide Financial Statement	
Statement of Net Assets.....	11
Statement of Activities.....	12 – 13
Fund Financial Statements	
Balance Sheet – Government Funds.....	14
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets.....	15
Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	17
Sewer Fund – Statement of Net Assets.....	18
Sewer Fund – Statement of Changes in Net Assets.....	18
Sewer Fund – Statement of Cash Flows.....	19
Fiduciary Funds Statements.....	20
Notes to the Financial Statements.....	21 – 31
Supplementary Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (detail):	
General Fund.....	33-35
Emergency Services Fund.....	36-37
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with Government Auditing Standards.....	38-40

Lawrence Tiejema, PC Certified Public Accountant
31 E. Main Street, PO Box 10, Saranac, MI 48881
616-642-0384 fax: 616-642-0610 email: tiej@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

August 22, 2008

The Township Board
Campbell Township
Ionia County, Michigan

I have audited the accompanying financial statements of the governmental activities, business-type activities, and the aggregate remaining fund information of Campbell Township, Ionia County, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

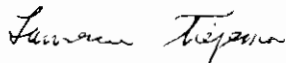
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the aggregate remaining fund information of Campbell Township, as of March 31, 2008, and the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated August 22, 2008, on my consideration of Campbell Township's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis on pages 5 to 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Campbell Township's basic financial statements. The governmental schedules have been subjected to auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.



Lawrence Tiejema, PC.

August 22, 2008

Management Discussion and Analysis

The township installed a generator in the township hall and added lights to the township park while raising its net assets by \$53,364. In addition, the roads in the township were properly maintained, and the township committed to participating in the rebuilding of a bridge. Below is a list of the main financial highlights for the year ended March 31, 2008.

Financial Highlights

- (1) The Township purchased a generator that was installed by AIS Construction in April 2007 at a cost of \$40,307. The cost was shared by the General Fund and Emergency Services Fund. The generator can provide full power to the township hall and fire barn and can act as an emergency shelter for residents who do not have power.
- (2) The township board approved the installation of lights at the township park. Six lights were installed for \$125 each, and \$350 was spent for the installation.
- (3) With the assistance of a 50% matching grant, the fire department purchased mobile radios. The total cost of the radio units was \$5,280 with the grant covering \$2,640.
- (4) The Fire Department obtained various pieces of necessary equipment in the year ended March 31, 2008. In addition to the 6 mobile radios, 4 sets of turnout gear and a Minitor V Stored Voice Pager were purchased.
- (5) The township's revenues exceeded expenses by \$53,364, raising net assets from \$1,368,347 to \$1,425,619.
- (6) The township's CD investment earnings increased by 59.4% over the prior year, going from \$14,653 to \$23,348. Some of this interest is reserved for the sewer system, fire equipment, parks, and cemeteries, but approximately 50% is available to provide operating funds to the General Fund and Emergency Services Fund.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both the government-wide statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, recreation and cultural, and cemetery. The business-type activity of the Township is the sewer fund. The government-wide financial statements may be found on pages 11-13.

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. (All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds).

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township adopts an annual appropriated budget. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets. The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds. The township maintains one type of proprietary or enterprise fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer system operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 18 and 19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Campbell Township has one fiduciary fund, the tax agency fund. The basic fiduciary fund statements for the tax agency fund can be found on page 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 21-31 of this report.

Campbell Township's Net Assets

March 31, 2008

	Governmental Activities		Business-type Activities		2008
	2008	2007	2008	2007	Total
Current and other assets	\$ 638,854	\$ 591,083	\$ 84,687	\$ 80,779	\$ 723,541
Capital assets	703,021	700,041			703,021
Total assets	1,341,875	1,291,124	84,687	80,779	1,426,562
Accrued liabilities	943	3,556	-	-	\$ 943
Total liabilities	943	3,556	-	-	\$ 943
Net assets:					
Invested in capital assets, net					
of related debt	703,021	700,041			703,021
Restricted assets	131,761	129,046	84,687	80,779	216,448
Unrestricted assets	506,150	458,481			506,150
Total net assets	\$ 1,340,932	\$ 1,287,568	\$ 84,687	\$ 80,779	\$ 1,425,619

The governmental activities in the financial statement above include the General Fund and Emergency Services Fund. The business-type activity consists of the Sewer Fund. In the governmental activities, net assets increased by \$53,364 during the year ended March 31, 2008. The cash deposit accounts increased by \$27,588 while accounts receivables increased by \$18,843. The receivables consist of current and delinquent property tax revenue receivable and revenue sharing receivable. The 2007 property tax collection is recognized as income for the year ended March 31, 2008.

Capital assets consist of building and equipment with an original cost of \$1,000 or more. During the year ended March 31, 2008, the value of the capital assets in the General Fund and Emergency Services Fund increased by \$2,980. New equipment was acquired for \$52,326 while \$49,346 was expensed for depreciation.

The Sewer Fund is not currently active. The deposit accounts are left over from when the Sewer Fund was active. These deposit accounts earn interest and help build a fund that can be used for repairs and improvements on the part of the sewer system that serves Campbell Township residents.

Campbell Township's Change in Net Assets

For the Year ended March 31, 2008

	Governmental Activities		Business-type Activities		2008
	2008	2007	2008	2007	Total
Revenue:					
Program revenue:					
Charges for services	\$ 6,165	\$ 10,941			\$ 6,165
General revenue:					
Property taxes	167,388	155,190			167,388
State sources	134,407	133,708			134,407
Investment earnings	19,440	11,368	3,908	3,285	23,348
Other revenue	5,679	16,037			5,679
Total revenue	333,079	327,244	3,908	3,285	336,987
Expenses:					
General government	88,177	86,881			88,177.00
Legislative	4,294	5,217			4,294.00
Public safety	99,161	106,339			99,161.00
Public works	76,096	101,844			76,096.00
Public Parks and Recreation	7,413	7,802			7,413.00
Cemetery	4,574	10,877			4,574.00
Total expenses	279,715	318,960	-	-	279,715.00
Increase (decrease) in net assets	53,364	8,284	3,908	3,285	57,272.00
Net assets -- beginning of year	1,287,568	1,279,284	80,779	77,494	1,368,347
Net assets -- end of year	\$ 1,340,932	\$ 1,287,568	\$ 84,687	\$ 80,779	\$ 1,425,619

The governmental activities shown in the financial statement above include the General Fund and Emergency Services Fund. For the governmental activities, property tax revenue increased by \$12,198 as a result of the increased tax administration fees on an increased number of parcels. Interest income rose by 59.4%, going from \$14,653 to \$23,348. Cemetery revenue and income from permits went down. In part, this was probably due to the sluggish Michigan economy. On the expense side, road, cemetery, and fire department expenditures were less than the prior year. Though the fire department's expenditures were approximately the same for the year ended March 31, 2008 as they were the year before, a 50% share of the new generator was included in the fire department's expenditures.

Campbell Township's Capital Assets -- net of depreciation

	Governmental Activities	
	<u>3/31/2008</u>	<u>03/31/2007</u>
Land	\$ 136,820	\$ 136,820
Buildings and improvements	238,477	229,423
Office machinery & equipment	12,156	15,195
Fire department machinery and equipment	<u>315,568</u>	<u>318,603</u>
Total Assets	<u>\$ 703,021</u>	<u>\$ 700,041</u>

Capital assets increased by \$2,980 as purchases of capital assets of \$52,326 exceeded depreciation expense of \$49,346. The Fire Department and General Fund shared the cost of a generator that cost \$40,307 with the Emergency Services Fund paying \$20,429 including set-up costs while the General Fund paid \$19,878. The emergency services obtained new equipment totaling \$12,019 that included a Minitor V Stored Voice pager, 4 turnout gear, and 6 mobile radio units that were 50% funded by a grant from the Michigan Department of Natural Resources.

Review of the Past and Looking to the Future

In the past year (April 2007-March 2008) Campbell Township has purchased a generator at a cost of \$39,755.99. Half of this cost was paid by the General Fund and half from the Emergency Services Fund. We also installed lights at the township park. In the course of the year, Campbell Township spent over \$74,000 maintaining the township's 43 ½ miles of roads and roadsides.

In the current year, we expect to continue to keep township roads in good and safe condition. We are working on replacing the Hastings Road bridge, and we are looking into adding restrooms to our township park. We would also like to expand our township hall parking area if adjoining land should become available. The fire department is negotiating for the purchase of a new rescue rig, and the township plans to have that unit ready for operation in the 2008-2009 fiscal year.

CAMPBELL TOWNSHIP
STATEMENT OF NET ASSETS

MARCH 31, 2008

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and deposits	\$ 436,670	\$ 84,687	\$ 521,357
Receivables			
Taxes	15,772		15,772
Accounts Receivable	33,828		33,828
Due from other funds	148,669		148,669
Prepaid expenses	3,915		3,915
Land	136,820		136,820
Capital assets, net of			-
accumulated depreciation	566,201		566,201
Total Assets	1,341,875	84,687	1,426,562
Liabilities			
Accounts payable	943	-	943
Total Liabilities	943	-	943
Net Assets			
Invested in capital assets,			
net of related debt	703,021		703,021
Restricted for:			-
Sewer improvements		84,687	84,687
Fire equipment	110,072		110,072
Cemetery care	21,689		21,689
Unrestricted	506,150		506,150
Total net assets	\$ 1,340,932	\$ 84,687	\$1,425,619

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenues
		Charges for Services	Capital Grants	
Primary government				
Governmental activities:				
General government	\$ 88,177	\$ 4,499		\$ (83,678)
Legislative	4,294			(4,294)
Public safety	99,161		2,640	(96,521)
Public works	76,096			(76,096)
Recreation and culture	7,413			(7,413)
Cemetery	4,574	1,666		(2,908)
Total government activities	<u>279,715</u>	<u>6,165</u>	<u>2,640</u>	<u>(270,910)</u>
Business-type activity:				
Sewer	-	-	-	-
Total primary government	<u>\$ 279,715</u>	<u>\$ 6,165</u>	<u>\$ 2,640</u>	<u>\$ (270,910)</u>

(CONTINUED)

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP
STATEMENT OF ACTIVITIES (CONCLUDED)
FOR THE YEAR ENDED MARCH 31, 2008

	Primary Government		
	Governmental	Business-	
	Activities	type	
		Activities	Total
Changes in net assets			
Net (expense) revenue	\$ (270,910)	\$ -	\$(270,910)
General revenues:			
Property taxes	167,388	-	167,388
State revenue sharing	134,407	-	134,407
Investment earnings	19,440	3,908	23,348
Other revenue	3,039	-	3,039
Total general revenues	<u>324,274</u>	<u>3,908</u>	<u>328,182</u>
Change in net assets	53,364	3,908	57,272
Net assets, beginning of year	<u>1,287,568</u>	<u>80,779</u>	<u>1,368,347</u>
Net assets, end of year	<u>\$ 1,340,932</u>	<u>\$ 84,687</u>	<u>\$1,425,619</u>

(CONCLUDED)

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP**BALANCE SHEET****GOVERNMENTAL FUNDS****MARCH 31, 2008**

ASSETS	GENERAL FUND	EMERGENCY SERVICES FUND	TOTAL
Cash and deposits	\$ 278,278	\$ 158,392	\$ 436,670
Receivables:			
Taxes	7,349	8,423	15,772
Accounts receivable	31,188	2,640	33,828
Due from other funds	65,491	83,178	148,669
Prepaid expenses	1,935	1,980	3,915
TOTAL ASSETS	384,241	254,613	638,854
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	580	363	943
TOTAL LIABILITIES	580	363	943
FUND BALANCE			
Reserved for fire equipment		110,072	110,072
Reserved for cemetery care	21,689		21,689
Undesignated	361,972	144,178	506,150
Total Fund Balance	383,661	254,250	637,911
TOTAL LIABILITIES AND FUND BALANCE	\$ 384,241	\$ 254,613	\$ 638,854

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP

BALANCE SHEET

GOVERNMENT FUNDS

MARCH 31, 2008

**RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO NET ASSETS OF THE GOVERNMENTAL
ACTIVITIES ON THE STATEMENT OF NET ASSETS**

Fund balance – Total governmental funds.....	<u>\$ 637,911</u>
Amounts reported for governmental activities In the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore not reported in the funds.	
Add land.....	136,820
Add capital assets.....	1,017,856
Deduct accumulated depreciation.....	<u>(451,655)</u>
Net assets of governmental activities.....	<u>\$ 1,340,932</u>

The accompanying notes are an integral part of the financial statements.

**CAMPBELL TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2008**

	GENERAL FUND	EMERGENCY SERVICES FUND	TOTAL
REVENUES:			
Property taxes	\$ 75,726	\$ 91,662	\$ 167,388
Licenses & permits	1,000		1,000
State sources	134,407		134,407
Charges for services	5,165		5,165
Interest	12,109	7,331	19,440
State grants		2,640	2,640
Other	440	2,599	3,039
TOTAL REVENUES	228,847	104,232	333,079
EXPENDITURES:			
General government	96,205		96,205
Legislative	4,294		4,294
Public safety		96,126	96,126
Public works	76,096		76,096
Recreation and culture	5,400		5,400
Cemetery	4,574		4,574
TOTAL EXPENDITURES	186,569	96,126	282,695
REVENUES OVER EXPENDITURES	42,278	8,106	50,384
NET CHANGE IN FUND BALANCES	42,278	8,106	50,384
FUND BALANCE, BEGINNING OF YEAR	341,383	246,144	587,527
FUND BALANCE, END OF YEAR	\$ 383,661	\$ 254,250	\$ 637,911

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENT FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES

Net change in fund balances -- total government funds.....	\$ 50,384
Government funds expense capital outlays in the current year while the Statement of Net Assets allocates them over useful life:	
Add capital outlay.....	52,326
Deduct - depreciation expense.....	(49,346)
Change in net assets of government activities.....	<u>\$ 53,364</u>

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP
SEWER ENTERPRISE FUND

MARCH 31, 2008

STATEMENT OF NET ASSETS

Assets

Current Assets

Cash and deposits	\$ 84,687
-------------------	-----------

Total current assets	84,687
-----------------------------	---------------

Net assets

Restricted	84,687
------------	--------

Total net assets	\$ 84,687
-------------------------	------------------

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS**

FOR THE YEAR ENDED MARCH 31, 2008

Non-operating revenues

Interest income	\$ 3,908
-----------------	----------

Net Income	3,908
-------------------	--------------

Net Assets -- Beginning of Year	80,779
--	---------------

Net Assets -- End of Year	\$ 84,687
----------------------------------	------------------

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP
STATEMENT OF CASH FLOWS
SEWER FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

Cash from investing activities

Interest income	\$ 3,908
-----------------	----------

Cash and Cash Equivalents -- Beginning of Year	<u>80,779</u>
---	---------------

Cash and Cash Equivalents -- End of Year	<u><u>\$ 84,687</u></u>
---	-------------------------

The accompanying notes are an integral part of the financial statements.

CAMPBELL TOWNSHIP

FIDUCIARY FUND

TAX AGENCY FUND

STATEMENT OF NET ASSETS

MARCH 31, 2008

Assets

Cash in bank	\$	148,669
--------------	----	---------

Liabilities

Due to other funds	\$	148,669
--------------------	----	---------

STATEMENT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

Receipts

Tax Collections	\$	1,818,231
Interest and penalty income		2,274
		<hr/>
Total cash receipts		1,820,505

Disbursements

Tax payments to government agencies		<hr/> 1,806,803
Total cash disbursements		<hr/> 1,806,803

**Total receipts over (under)
disbursements**

13,702

Cash balance at the beginning of the year		<hr/> 134,967
---	--	---------------

Cash balance at the end of the year	\$	<hr/> 148,669
-------------------------------------	----	---------------

The accompanying notes are an integral part of the financial statements

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Campbell Township was organized in April of 1849 under the applicable laws of the State of Michigan. The Township is governed by a Board of Trustees which consists of Supervisor, Clerk, Treasurer, and two Trustees, and provides the following services: public safety (fire, ambulance), road maintenance, drainage, cemetery, public improvements, recreation and parks, and general administrative services.

The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below:

The Reporting Entity

As required by generally accepted accounting principles, these financial statements present a financial report on all funds of Campbell Township.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Campbell Township maintains one business-type fund, a sewer fund reserve. This financial reserve is used for sewer repairs and improvements.

CAMPBELL TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for government funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Agency funds follow the accrual basis of accounting and they do not follow a measurement focus because they do not report the results of operations (assets equal liabilities). Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures in the current period. Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Township. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity or net assets, revenues, and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Township reports the following major government funds:

General Fund – This fund is the Township’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Emergency Services Fund – This fund is used to account for operating millage revenues and operating expenses of the Campbell Township Fire Department.

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

Additionally, the Township reports the following fund type:

Tax Agency Fund – This fund is used to account for property tax collections from real and personal property owners in Campbell Township, and the fund's disbursements to the applicable government entities and agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance in the Statement of Net Assets and the Statement of Activities.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Budgets and Budgetary Accounting

Annual budgets are adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP). The Township follows these procedures in establishing the budgetary data which is reflected in the financial statements:

1. The budgets are generated with input from various department heads, the township supervisor, clerk, treasurer, and township trustees.

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

2. Public hearings are conducted to obtain taxpayer comments and recommendations. The operating budgets include proposed expenditures and the means of financing them.
3. The budget is legally enacted through the passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
5. Budget appropriations lapse at fiscal year-end.
6. Adoption and amendments of all budgets used by the Township are governed by Public Act 621. Expenditures may not exceed appropriations at the functional level for all funds (the legal level of budgetary control). The appropriations resolutions are based on the projected expenditure budgets by function. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any department must be approved by the Township Board.
7. Budgeted amounts are as originally adopted, or as amended by the Township Board.
8. Encumbrance accounting is not utilized.

Investments

Investments are stated at fair value.

Restricted Assets

Certain proceeds may be set-aside or restricted for the repayment of debt obligations, a planned capital project, or for any other special purpose. Campbell Township has restrictions on the net assets in three funds. Funds for cemetery care in the General Fund are restricted for cemetery maintenance and improvement. Funds in the Emergency Services Fund are restricted to the purchase of fire equipment. Funds in the Sewer Fund are restricted for improvement and maintenance of the sewer system.

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental funds in the government-wide financial statements. The Township does not currently own infrastructure (roads, tunnels, bridges, etc.) Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets of the primary government is computed using the straight-line method over the following estimated useful lives:

	Depreciable <u>Life-Years</u>
Building and structures.....	10 – 40
Furniture and equipment.....	5 – 15
Building and lot improvements.....	15
Trucks and vehicles.....	5 - 20
Machinery and equipment.....	5 – 20

CAMPBELL TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

Property Taxes

Property taxes for the Township are attached as an enforceable lien on property as of December 1 of each year. The December 1 levy is recorded as revenue during the current fiscal year, and is intended to fund expenditures of the current year. Taxes are levied December 1 and are due without penalty on or before February 14. These winter tax bills include the Township's own property taxes and taxes billed on behalf of the school districts and other entities in Ionia County; summer taxes are collected for the school districts and the County of Ionia. Real property taxes not collected are returned to the County for collection, which advances the Township 100% for the delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Fund Equity

In the fund statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent restricted net assets equal to restricted assets less related liabilities. Campbell Township has a \$21,689 reservation of its general fund for cemetery care and a \$110,072 reservation of its emergency services fund for fire equipment.

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2008, the Township was covered by a liability and property insurance policy in the Michigan Township Participating Plan through Liberty Group of Kalamazoo, Michigan.

The insurance limitations are: Property, \$535,000; Liability, \$2,000,000; Wrongful acts, \$2,000,000; and Vehicle, \$630,000. In addition, the Township has additional coverage for inland marine, crime coverage, and township building heating system.

CAMPBELL TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

2. CASH DEPOSITS AND INVESTMENTS

The cash and deposits, investments and restricted assets for the Township and its component unit are as follows:

Deposits:

	Governmental Funds	Sewer Fund	Tax Agency Fund	Total
Checking/Savings accounts	\$ 226,732	-	\$ 148,669	\$ 375,401
Investments	209,938	84,687	0	294,625
TOTAL	\$ 436,670	\$ 84,687	\$ 148,669	\$ 670,026

The carrying amount of the Township's deposits at March 31, 2008, is \$670,026. All deposits are held at United Bank. Of these deposits, \$100,000 is insured by the Federal Deposit Insurance Corporation. In accordance with the State of Michigan policy limits, these deposits are all deposited in Michigan banks. All accounts are in the name of the Township and a specific fund or common account. They are recorded in the Township records at fair value.

Statutory Authority

State statutes authorize the Township to invest in:

1. Bond securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
3. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services that matures not more than 270 days after date of purchase.

CAMPBELL TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

4. Obligations of the State of Michigan or its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
5. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
6. External investment pools as authorized by Public Act 20 as amended through December 21, 1997.

Township investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Township's name. Investments held by the Township are reported at fair value.

All deposit accounts of Campbell Township are in Category 1, registered and insured up to \$100,000, and are listed as follows:

Depository	Account	Amount @ 03/31/08
General Fund:		
United Bank	Checking Account	\$ 178,736
United Bank	Park Development Savings Account	1,159
-	Petty Cash	200
United Bank	Certificates of deposit	98,183

CAMPBELL TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

Depository	Account	Amount @ 03/31/08
Emergency Services:		
United Bank	Checking account	38,848
United Bank	Savings account	7,789
United Bank	Certificates of deposit	111,755
Sewer Fund:		
United Bank	Certificates of deposit	84,687
Tax Agency Fund:		
United Bank	Checking account	148,669
TOTAL DEPOSITED FUNDS		\$ 670,026

3. CAPITAL ASSETS

	Balance April 1, 2007	Additions	Disposals	Balance March 31, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	136,820	-	-	136,820
Capital assets being depreciated:				
Buildings and improvements	340,955	19,878	-	360,833
Office furniture and equipment	24,250	-	-	24,250
Fire fighting equipment	600,325	32,448	-	632,773
	965,530	52,326	-	1,017,856
Less accumulated depreciation for:				
Buildings and improvements	111,532	10,824	-	122,356
Office furniture and equipment	9,055	3,039	-	12,094
Fire fighting equipment	281,722	35,483	-	317,205
	402,309	49,346	-	451,655
Total capital assets, being depreciated net:	563,221			566,201
Governmental activities capital assets net:	700,041			703,021

CAMPBELL TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

Depreciation expense was charged to functions/programs of the general government as follows:

Township board.....	\$ 1,811
Township buildings and park.....	10,824
Township officers.....	\$ 1,228
Fire Fighting Equipment.....	<u>35,483</u>
Total depreciation.....	\$ 49,346

4. LITIGATION

In the normal course of its activities, the Township has become a party in various legal actions, including property tax assessment appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township and, therefore, has not reflected loss reserves in the financial statements.

5. DUE FROM (TO) OTHER FUNDS

Amounts due from (to) other funds representing interfund receivable and payable balances at March 31, 2008, are detailed as follows:

	<u>Due from</u>	<u>Due to</u>
General Fund	-	\$ 65,491
Emergency Services Fund		83,178
Tax Agency Fund	\$ 148,669	

“Due to” and “due from” balances represent amounts in the tax-agency fund which may be transferred into the general fund and emergency services fund.

Required

Supplementary

Information

GENERAL FUND

The General Fund is used to account for government resources that are not required legally or by sound financial management to be recorded in another fund. Revenues in this fund are derived primarily from general property taxes, fees for services, interest, state shared revenues, grants, and intergovernmental revenues. General operating expenditures of the Township are accounted for in this fund, including Township Administration, Public Works, Parks and Recreation, and Cemetery.

The legal level of budgetary control of the General Fund is at the activity level, as reflected on the following Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual.

CAMPBELL TOWNSHIP

**STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL**

FOR THE YEAR ENDED MARCH 31, 2008

	BUDGETED AMOUNTS			VARIANCE WITH FINAL POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Property taxes				
Current property taxes	66,650	66,650	68,377	1,727
Delinquent property taxes	5,300	5,300	7,349	2,049
Total taxes	71,950	71,950	75,726	3,776
State sources				
State revenue sharing	133,800	133,800	134,407	607
Charges for services:				
Licenses/permits	800	800	1,000	200
Cemetery perpetual care	850	850	916	66
Cemetery lot sales	425	425	750	325
Refunds & rebates	750	750	440	(310)
Total fee revenue	2,825	2,825	3,106	281
Investment revenue:				
Interest earnings	6,750	6,750	12,109	5,359
Other revenue				
Telecom	3,500	3,500	3,499	(1)
TOTAL REVENUES	218,825	218,825	228,847	10,022

CAMPBELL TOWNSHIP

**STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2008**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
EXPENDITURES				
General government				
Supervisor	8,875	8,875	8,058	817
Elections	2,500	2,500	1,805	695
Assessor	15,500	15,500	13,463	2,037
Clerk	16,650	16,650	15,774	876
Board of review	2,000	2,000	813	1,187
Treasurer	18,650	18,650	18,750	(100)
Townhall	42,500	42,500	32,408	10,092
Audit & legal	2,100	2,100	2,100	-
Payroll taxes	3,500	3,500	3,034	466
Total general government	112,275	112,275	96,205	16,070
Legislative	6,900	6,900	4,294	2,606
Public works				
Roads	115,000	115,000	74,319	40,681
Drains	5,000	5,000	1,777	3,223
Total Public Works	120,000	120,000	76,096	43,904
Recreation and Culture				
Township park	5,800	5,800	5,400	400
Cemetery	5,600	5,600	4,574	1,026
TOTAL EXPENDITURES	250,575	250,575	186,569	64,006
REVENUES OVER (UNDER)				
EXPENDITURES	(31,750)	(31,750)	42,278	74,028
NET CHANGE IN FUND BALANCES	(31,750)	(31,750)	42,278	74,028
FUND BALANCE, BEGINNING OF YEAR	341,383	341,383	341,383	-
FUND BALANCE, END OF YEAR	309,633	309,633	383,661	

MAJOR FUND

SPECIAL REVENUE FUND

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Emergency Services Fund – This fund is used to account for revenues and expenses of the Campbell Township Fire Department.

CAMPBELL TOWNSHIP**EMERGENCY SERVICES FUND****STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL****FOR THE YEAR ENDED MARCH 31, 2008**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Property taxes	\$ 92,700	\$ 92,700	91,662	(1,038)
State grant	-	-	2,640	2,640
Interest income	5,200	5,200	7,331	2,131
Refunds and reimbursements	-	-	2,599	2,599
Total revenues	97,900	97,900	104,232	6,332
EXPENDITURES:				
Personnel and training	12,500	12,500	12,663	(163)
Equipment and supplies	42,000	42,000	43,486	(1,486)
Building maintenance	34,300	34,300	34,370	(70)
Ambulance	13,500	13,500	5,607	7,893
Total expenditures	102,300	102,300	96,126	6,174
REVENUES OVER (UNDER) EXPENDITURES	(4,400)	(4,400)	8,106	12,506
NET CHANGE IN FUND BALANCES				
FUND BALANCE, BEGINNING OF YEAR	246,144	246,144	246,144	-
FUND BALANCE, END OF YEAR	\$ 241,744	\$ 241,744	\$ 254,250	-

Lawrence Tiejema, PC Certified Public Accountant
31 E. Main Street, Saranac, MI 48881 616-642-0384
fax: 616-642-0610 email: tiej@sbcglobal.net

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

August 22, 2008

The Township Board
Campbell Township
Ionia County, Michigan

I have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Township of Campbell, State of Michigan, as of and for the year ended March 31, 2008, which collectively comprise Campbell Township's basic financial statements and have issued a report thereon dated August 22, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, I considered Campbell Township's control over financial reporting as basis for designing my auditing procedures for the purposes of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Campbell's Township's internal control over financial reporting

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

I noted no material weaknesses in the internal control system of Campbell Township. However, I did note four significant deficiencies that are described in the attached schedule that are titled 2008-1 through 2008-4.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbell Township's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the township board officers, bond and credit holders, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lawrence Tiejema, PC.

August 22, 2008

SCHEDULE OF SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

CAMPBELL TOWNSHIP -- YEAR ENDED MARCH 31, 2008

- 2008-1:** Township accounting personnel do not prepare the accruing entries necessary for preparation of the government-wide statements. They rely on the auditor to make all of these adjustments.
- Township response:
Township accounting personnel will receive training so that they can make the required adjusting entries for the next audit.
- 2008-2:** The Township operates under traditional purchasing guidelines developed in practice, and it does not have a formal, written purchasing policy as required by the Michigan Department of Treasury.
- Township response:
The Township will adopt a written purchasing policy during the current year.
- 2008-3:** The Township does not have a procedure for recording capital assets that cost \$1,000 or more and placing these assets in a fixed-asset schedule.
- Township response:
The Township will record capital assets with a cost of \$1,000 or more in a capital outlay account. Township accounting personnel will receive training in maintaining the township's fixed asset schedule so they can prepare the entries for the next audit.
- 2008-4:** The Township does not have a procedure for recording non-cash donations and grants for fire department equipment.
- Township response:
The Township will develop a reporting form for the Fire Department so that the department can report the donation of equipment.

